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7978-64489

APPLICATION

Honorable James H. Welsh Commissioner of Conservation Louisiana Office of Conservation P.O. Box 94275 Baton Rouge, Louisiana 70804

Re: MA-11 Zone, Reservoir A

Duck Lake Field

St. Mary and St. Martin Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CLAYTON WILLIWAM ENERGY, INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **MA-11 Zone, Reservoir A**, in the **Duck Lake Field**, St. Mary and St. Martin Parishes, Louisiana, to-wit:

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated MA-11 RA SUA;
- To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
- 3. To designate a unit well for the proposed unit;
- 4. To designate Clayton Williams Energy, Inc. as the unit operator for the proposed unit;

- 5. To provide that any future wells drilled to the MA-11 Zone, Reservoir A, inside or outside of the proposed unit should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir, by supplemental order without the necessity of a public hearing, if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner; and
- 7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The MA -11 Zone, Reservoir A in the Duck Lake Field, St. Mary and St. Martin Parishes, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 15,500 feet and 17,090 feet, electrical log measurements, in the Transco Exploration Company – S.L. 9773 No. 1 Well, located in Township 15 South, Range 11 East, St. Mary Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m., on Friday, July 15, 2005, at the Onebane Law Firm, 1200 Camellia Boulevard, Suite 300, Lafayette, Louisiana 70508, (337)237-2660. A list of the parties who attended the conference is attached hereto. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. Bill Robbins, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering, and other bases therefore, and answered questions. While no formal counterplans were presented, Jason Talbot, on behalf of the State Mineral Board, made a presentation suggesting the unit should be larger. The State's mineral lessee, Penn Virginia Oil & Gas, L.P. indicated it supported the concept of a bigger unit. The parties agreed to try to resolve their differences after the conference. The conference was then adjourned.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting **W.H. Robbins & Associates**, L.L.C., 302 LaRue France, Lafayette, Louisiana 70508, (337)232-5004.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties and the Waiver are being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a

copy of it. A reasonable effort was made to ascertain the names and addressed of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RANDALL C. SONGY

RCS/elg/bad

Enclosures

CC:

Mr. Richard Hudson, District Manager

Office of Conservation

All Interested Owners, Interested Parties and Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

